

SENATE BILL No. 338

DIGEST OF INTRODUCED BILL

Citations Affected: IC 7.1-3-12-5; IC 7.1-5-11-1.5.

Synopsis: Farm winery sales. Allows a holder of a farm winery permit to sell and ship, by the bottle or by the case, not more than 5,000 gallons of wine that is priced at less than \$301 per gallon during a permit year to a holder of a wine retailer's permit or a holder of a wine dealer's permit.

Effective: July 1, 2015.

Messmer

January 8, 2015, read first time and referred to Committee on Public Policy.



First Regular Session 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

SENATE BILL No. 338

A BILL FOR AN ACT to amend the Indiana Code concerning alcohol and tobacco.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 7.1-3-12-5, AS AMENDED BY P.L.186-2011,
2 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2015]: Sec. 5. (a) The holder of a farm winery permit:
4 (1) is entitled to manufacture wine and to bottle wine produced by
5 the permit holder's farm winery;
6 (2) is entitled to serve complimentary samples of the winery's
7 wine on the licensed premises or an outside area that is
8 contiguous to the licensed premises as approved by the
9 commission if each employee who serves wine on the licensed
10 premises:
11 (A) holds an employee permit under IC 7.1-3-18-9; and
12 (B) completes a server training program approved by the
13 commission;
14 (3) is entitled to sell the winery's wine on the licensed premises to
15 consumers either by the glass, or by the bottle, or both;
16 (4) is entitled to sell the winery's wine to consumers by the bottle



at a farmers' market that is operated on a nonprofit basis;
 (5) is entitled to sell wine by the bottle or by the case to a person who is the holder of a permit **issued under IC 7.1-3-13** to sell wine at wholesale;

(6) is entitled to sell and ship, by the bottle or by the case, not more than a total of five thousand (5,000) gallons of wine that is priced at less than three hundred one dollars (\$301) per gallon during a permit year to a holder of a:

(A) wine retailer's permit issued under IC 7.1-3-14; or

(B) wine dealer's permit issued under IC 7.1-3-15;

~~(6)~~ (7) is exempt from the provisions of IC 7.1-3-14;

~~(7)~~ (8) is entitled to advertise the name and address of any retailer or dealer who sells wine produced by the permit holder's winery;

~~(8)~~ (9) for wine described in IC 7.1-1-2-3(a)(4):

(A) may allow transportation to and consumption of the wine on the licensed premises; and

(B) may not sell, offer to sell, or allow the sale of the wine on the licensed premises;

~~(9)~~ (10) is entitled to purchase and sell bulk wine as set forth in this chapter;

~~(10)~~ (11) is entitled to sell wine as authorized by this section for carryout on Sunday; and

~~(11)~~ (12) is entitled to sell and ship the farm winery's wine to a person located in another state in accordance with the laws of the other state.

(b) With the approval of the commission, a holder of a permit under this chapter may conduct business at not more than three (3) additional locations that are separate from the winery. At the additional locations, the holder of a permit may conduct any business that is authorized at the first location, except for the manufacturing or bottling of wine.

(c) With the approval of the commission, a holder of a permit under this chapter may, individually or with other permit holders under this chapter, participate in a trade show or an exposition at which products of each permit holder participant are displayed, promoted, and sold. The commission may not grant approval under this subsection to a holder of a permit under this chapter for more than forty-five (45) days in a calendar year.

SECTION 2. IC 7.1-5-11-1.5, AS AMENDED BY P.L.159-2014, SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 1.5. (a) Except as provided in **IC 7.1-3-12-5 and IC 7.1-3-26**, it is unlawful for a person in the business of selling alcoholic beverages in Indiana or outside Indiana to ship or cause to be



1 shipped an alcoholic beverage directly to a person in Indiana who does
 2 not hold a valid wholesaler permit under this title. This includes the
 3 ordering and selling of alcoholic beverages over a computer network
 4 (as defined by IC 35-43-2-3(a)).

5 (b) An in-state or an out-of-state vintner, distiller, brewer, rectifier,
 6 or importer that:

7 (1) holds a basic permit from the federal Bureau of Alcohol,
 8 Tobacco, Firearms and Explosives; and

9 (2) knowingly violates subsection (a);
 10 commits a Class A misdemeanor.

11 (c) A person who is not an in-state or an out-of-state vintner,
 12 distiller, brewer, rectifier, or importer that holds a basic permit from the
 13 federal Bureau of Alcohol, Tobacco, Firearms and Explosives who
 14 knowingly violates subsection (a) commits a Level 6 felony.

15 (d) Upon a determination by the commission that a person has
 16 violated subsection (a), a wholesaler may not accept a shipment of
 17 alcoholic beverages from the person for a period of up to one (1) year
 18 as determined by the commission.

19 (e) If the chairman of the alcohol and tobacco commission or the
 20 attorney general determines that a vintner, distiller, brewer, rectifier, or
 21 importer that holds a basic permit from the federal Bureau of Alcohol,
 22 Tobacco, Firearms and Explosives has made an illegal shipment of an
 23 alcoholic beverage to consumers in Indiana, the chairman shall:

24 (1) notify the federal Bureau of Alcohol, Tobacco, Firearms and
 25 Explosives in writing and by certified mail of the official
 26 determination that state law has been violated; and

27 (2) request the federal bureau to take appropriate action.

28 (f) The commission shall adopt rules under IC 4-22-2 to implement
 29 this section.

